

**THE STATE
OF ALABAMA**

**DEPARTMENT
OF
INSURANCE**

**LIFE, ANNUITY & HEALTH
FILING INFORMATION**

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THE STATE OF ALABAMA DEPARTMENT OF INSURANCE LIFE, ANNUITY AND HEALTH FILING INFORMATION

I. General Information

Alabama Insurance Law is Title 27 of the Code of Alabama 1975 (hereafter referred to as ‘the Code’) and can be accessed in the Legislation section at www.legislature.state.al.us.

The Department of Insurance’s website can be found at www.aldoi.org.

The information contained herein is provided to assist insurers in submitting and Department personnel in reviewing filings and does not supercede the requirements of Alabama laws and regulations governing the business of insurance. Insurers are required to be aware of and comply with all Alabama laws, regulations and department bulletins.

All filings must be submitted in their final versions.

Filing and approval of forms authority is found in section 27-14-8 of the Code.

General policy content requirements are found in section 27-14-11 of the Code.

General policy filing requirements are found in Regulation 24 and filing fee information is found in our Bulletin dated November 1, 1994.

All policies containing arbitration agreements must comply with our Departmental guidelines and requirements Bulletin of March 5, 1998.

II. Life Insurance Filing Requirements

All life insurance filings must include a signed actuarial memorandum describing the policy and the reserve and nonforfeiture value methodology.

For all policies with non-guaranteed elements, a statement that the policy will be illustrated or non-illustrated must be made at the time of filing. If illustrated, the requirements of Regulation 114 apply including actuarial certification.

For all policies with an accelerated benefit provision, the requirements of Regulation 113 apply, including a disclosure form and actuarial memorandum.

An accidental death benefit provision may only require that the accident causing the death of the insured occur while the policy is in force, and that death occur not less than 90 days after the accident per our Bulletin of October 26, 1998.

All flexible/universal/interest sensitive life policies should contain a provision that the current values of the contract will be furnished to the owner or insured at least annually.

No rate filings are requested for life insurance submissions. The Department should be notified of changes to non-guaranteed COI rates and premium schedules as they occur.

All life insurance and annuity advertisements must comply with Regulation 69.

A. Individual Life

All individual life insurance policies must contain in substance all of the following provisions except those not applicable to single premium or term policies:

1. A grace period of not less than 30 days (60 days for flexible premium UL policies) per section 27-15-3 of the Code.
2. A two-year incontestability provision per section 27-15-4 of the Code.
3. An entire contract and statements deemed representations provision per section 27-15-5 of the Code.
4. A misstatement of age or sex provision per section 27-15-6 of the Code.
5. A dividends provision for participating policies per section 27-15-7 of the Code.
6. A policy loan provision for policies with cash values per section 27-15-8 of the Code.
7. A loan interest rate provision for policies with cash values per section 27-15-8.1 of the Code.
8. A table of values provision for policies with cash values per section 27-15-9 of the Code.
9. A guaranteed installments table for policies that offer this option per section 27-15-10 of the Code.
10. A reinstatement after premium default provision per section 27-15-11 of the Code.
11. A payment of premium provision per section 27-15-12 of the Code.
12. A settlement of death benefit provision per section 27-15-13 of the Code.

All authorized receipts from an insurance company where the premium payment is made through an agent must include specific wording per our Regulation 78.

B. Group Life

All group life insurance policies must contain in substance all of the following provisions:

1. A grace period of not less than 30 days per section 27-18-3 of the Code.
2. A two-year incontestability provision per section 27-18-4 of the Code.
3. A copy of the application and statements deemed representations provision per section 27-18-5 of the Code.
4. A provision setting forth evidence of insurability conditions, if any, per section 27-18-6 of the Code.
5. A misstatement of age provision per section 27-18-7 of the Code.
6. A coverage of debtors provision, if applicable, per section 27-18-8 of the Code.
7. A benefits payable to the designated beneficiary provision per section 27-18-9 of the Code.

8. An individual certificate issuance provision per section 27-18-10 of the Code.
9. A conversion rights provision per section 27-18-11 of the Code.
10. A policy termination provision per section 27-18-12 of the Code.
11. A death during conversion period provision per section 27-18-13 of the Code.
12. A notice of conversion rights provision per section 27-18-14 of the Code.
13. An assignability provision per section 27-18-16 of the Code.

C. Credit Life Insurance

All credit life insurance policies must comply with our Regulation 117.

All credit life insurance rates must comply with the State Banking Department's Regulation 155-2-2-.12. An actuarial memorandum demonstrating equivalence to Banking Department prima facie rates must be filed with the policy.

III. Annuity Filing Requirements

All annuities, other than reversionary, survivorship or group annuities shall contain the following provisions except any provisions not applicable to single premium or flexible premium annuities:

1. A grace period of not less than 30 days per section 27-15-17 of the Code.
2. A two-year incontestability provision per section 27-15-18 of the Code.
3. An entire contract provision per section 27-15-19 of the Code.
4. A misstatement of age or sex provision per section 27-15-20 of the Code.
5. A dividend provision for participating contracts per section 27-15-21 of the Code.
6. A reinstatement after premium default provision per section 27-15-22 of the Code.
7. Reversionary annuities must include the required provisions of section 27-15-23 of the Code.

All annuities providing for the payment, at the insurer's discretion, of interest in excess of the rate guaranteed in the policy should contain a provision that the current values of the contract will be furnished to the owner or insured at least annually.

All annuity filings must include a signed actuarial memorandum describing the contract, values, reserves and surrender charges and demonstrate the compliance of policy values with the standard nonforfeiture law for individual deferred annuities as found in section 27-15-28.1 of the Code.

IV. Health Insurance Filing Requirements

All health insurance policies filed for use in Alabama must comply with all federal health insurance requirements, including those required in the Health Insurance Portability and Accountability Act of 1996, the Newborn's and Mother's Health Protection Act of 1996, the Mental Health Parity Act of 1996 and the Women's Health and Cancer Rights Act of 1998 per our Bulletin of June 23, 2000.

Notices of rate increases and rate filings in general, accompanied by a signed actuarial memorandum, are requested to be filed on an informational basis per our Regulation 24.

All major medical insurance policies must be guaranteed renewable as required by HIPAA and our Bulletin of June 23, 2000.

Any health benefit plan that offers prescription drug benefits must comply with sections 27-1-21 and 27-1-22 and chapter 27-45-1, et seq. of the Code.

All health policies providing coverage on an expense-incurred basis shall provide benefits for newborn children per section 27-19-38 of the Code.

Every health insurance benefit plan which provides coverage for surgical services for a mastectomy must comply with chapter 27-50-1, et seq. of the Code and the Women's Health and Cancer Rights Act of 1998.

Every health insurance benefit plan that provides maternity coverage must comply with chapter 27-48-1, et seq. of the Code and the Newborn's and Mother's Health Protection Act of 1996.

A. Individual Health

All individual health policies must contain in substance the following provisions except those inapplicable or inconsistent with the coverage provided by a particular form of policy:

1. An entire contract clause and change in policy clause per section 27-19-4 of the Code.
2. A time limit on defenses provision per section 27-19-5 of the Code.
3. A grace period provision per section 27-19-6 of the Code.
4. A reinstatement provision per section 27-19-7 of the Code.
5. A notice of claim provision per section 27-19-8 of the Code.
6. A claim forms for filing proof of loss provision per section 27-19-9 of the Code.
7. A proof of loss provision per section 27-19-10 of the Code.
8. A time of payment of claims provision per section 27-19-11 of the Code.
9. A payment of claims provision per section 27-19-12 of the Code.
10. A physical examination and autopsy provision per section 27-19-13 of the Code.
11. A legal actions provision per section 27-19-14 of the Code.
12. A change of beneficiary provision per section 27-19-15 of the Code.
13. An inspection of policy (free look) statement giving the insured 10 days from delivery to return the policy for a premium refund per section 27-19-32 of the Code.

Optional provisions that may be included in individual health policies are found in sections 22-19-16 through 27-19-26 of the Code.

The pre-existing condition definition (look-back) period should not exceed 5 years prior to the effective date of the policy and the pre-existing condition exclusion (look-forward) period should not exceed 2 years from the effective date of the policy.

B. Group and Blanket Disability

Each group health insurance policy shall contain in substance the following provisions:

1. A copy of the application and statements deemed representations provision per section 27-20-20 (1) of the Code.

2. A provision that the insurer will furnish to the policyholder for delivery to each employee in summary form a statement (certificate) of the essential features of the coverage per section 27-20-2 (2) of the Code.
3. A provision that the original group insurance may add eligible new employees, or members or dependents in accordance with the terms of the policy per section 27-20-2 (3) of the Code.

The required provisions for blanket disability policies are found in section 27-20-5 of the Code.

The pre-existing condition definition (look-back) period should not exceed 1 year prior to the effective date of the policy and the pre-existing condition exclusion (look-forward) period should not exceed 2 years from the effective date of the policy.

Any group health plan that provides coverage on an expense incurred basis must offer to provide benefits for expenses incurred in connection with the treatment of alcoholism per chapter 27-20A-1, et seq. of the Code.

All small employer group insurance coverage must comply with Regulation 116 and filings should include a signed actuarial memorandum demonstrating compliance with the rating requirements of that Regulation.

All large employer group insurance coverage must offer to cover mental illness under terms and conditions that are no less extensive than physical illness per chapter 27-54-1, et seq. of the Code and also comply with the Mental Health Parity Act of 1996.

C. Credit Disability Insurance

All credit disability insurance must comply with our Regulation 117.

All credit disability insurance rates must comply with the State Banking Department's Regulation 155-2-.12. An actuarial memorandum demonstrating equivalence to Banking Department prima facie rates must be filed with the policy.

D. Long Term Care Insurance

All long term care insurance coverage must comply with the Alabama long term care insurance policy minimum standards act found in Article 3 of chapter 27-19-102, et seq. of the Code and Regulation 91.

E. Medicare Supplement Insurance

All Medicare supplement insurance policies must comply with the Alabama Medicare supplement minimum standards act found in Article 2 of chapter 27-19-50, et seq. of the Code and Regulation 71.

F. Health Maintenance Organizations (HMO's)

All HMO forms must be filed with this Department and comply with chapter 27-21A-1, et seq. of the Code and Regulation 79.

F. Advertising

All health insurance advertisements must comply with Regulation 13.

All long term care insurance advertisements must be filed with this Department per our Regulation 91 section 21.

All Medicare supplement insurance advertisements must be filed with this Department per our Regulation 71 section 19.

V. Contact Information

All life, annuity and health filings should be sent to:

The State of Alabama Department of Insurance
Life & Health Division
201 Monroe St.; Suite 1700
P.O. Box 303351
Montgomery, AL 36130-3351

Questions relating to filings may be directed to Judy Halse, accounts clerk, at (334) 241-4175 e-mail jhalse@insurance.state.al.us , or to Robert Turner, insurance rate analyst at (334) 241-4190 e-mail rturner@insurance.state.al.us . Our fax number is (334) 240-3194.